

3624

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Commissioner for Patents  
P.O. Box 1450  
Alexandria, VA 22313-1450

Re: Application Number 09/866,652  
Art Unit: 3624  
Examiner: Charles R. Kyle

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JUL 21 2003  
GROUP 3600

15 July 2003

Dear Sir/Madam,

Following please find the below described materials related to the above identified application for U.S. Utility Patent:

1. Letter of Transmittal (this sheet) and Certificate of Mailing on: 2 sheets;
  2. 'Response to Third Office Action' on: 29 sheets;
- Total: 31 sheets.

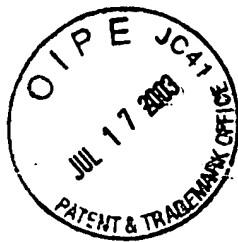
Please file the above described materials following in the above identified application for U.S. Utility Patent.

Thank you kindly for your service.

Respectfully yours,

*Peter O'Donovan Gibson, Reg. #34,605*

Peter O'Donovan Gibson, Reg. #34,605  
Telephone: 410/358-5912  
Facsimile: 410/358-9636



## CERTIFICATE OF MAILING

Re: Application Number 09/866,652

Art Unit: 3624

Examiner: Charles R. Kyle

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JUL 21 2003  
**GROUP 3600**

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1. Letter of Transmittal (this sheet) and Certificate of Mailing on: 2 sheets;
2. 'Response to Third Office Action' on: 29 sheets;

Total: 31 sheets.

I, Peter Gibson, Registration Number 34,605, do hereby certify with my dated signature below that the above described materials are being deposited with the United States Postal Service in an envelope addressed to: 'Commissioner for Patents, P.O. Box 1450, Alexandria, VA 22313-1450 today, July 15<sup>th</sup> 2003, bearing sufficient postage for First Class Mail.

Peter Gibson, Reg. #34,605

July 15<sup>th</sup> 2003



Application No. 09/866,652  
Applicant: Tommaso Innocenti

Art Unit: 3624

Examiner: Charles R. Kyle  
Filed: May 30<sup>th</sup> 2001

## RESPONSE TO THIRD OFFICE ACTION

### 1 A. Acknowledgment of Action

#### 2 *Claim Rejections - 35 USC § 103*

3 1. Applicant respectfully acknowledges Examiner's: recitation of 35 U.S.C. 103(a) as  
4 the "basis for all obviousness rejections set forth in this Office action"; Examiner's rejection  
5 of claims 40 - 76 under the same "as being unpatentable over *Auction This* and *Wurman* in  
6 view of *Forage Buy-Sell Contracts* by Palmer; and: "**Regarding Claim 40, Auction This**  
7 discloses the invention substantially as claimed, including in a business method intended to  
8 facilitate flexible terms commodities trading the steps of:

- 9
- 10 a) Providing, upon a web site accessible upon the world wide web (pages 79-  
11 81), a proposal format (page 125, second paragraph) in which the particular  
12 commodity, quantity, price, and specific commodity category dependent  
13 quality characteristics desired by a prospective buyer in completion of a  
14 submission for initiating an open bid (page 21, 'Bidders Can Be Choosers;  
15 pages 64 and 85);
- 16
- 17 b) Providing, upon a web site accessible upon the world wide web (pages 79-  
18 81), a proposal format (page 125, second paragraph) in which the commodity,  
19 quantity, price, and quality offered by a prospective seller in completion of a  
20 submission for initiating an open offer (page 23, 'Sellers Find their Market;  
21 pages 64 and 85);
- 22
- 23 c) Posting upon said web site a listing for a specified lot of commodity in  
24 accordance with a completed proposal submission (page 124, Fig. 7-4)  
25 detailing a plurality of terms including but not restricted to delivery and  
26 payment (page 124, Fig. 7-4) comprising an open offer of said specified lot  
27 when initiated by a prospective seller;
- 28
- 29 d) Indicating upon said web site, in association with said listing, the matching  
30 in all said terms between any offer and any bid both concerned with said  
31 specified lot (page 213). (3<sup>rd</sup> Office action, pages 2 - 3)

## RESPONSE TO THIRD OFFICE ACTION

1       2.    Applicant respectfully acknowledges Examiner's admission that "*Auction This* does  
2    not specifically disclose that the type of auction can be specified or that the auction is two-  
3    way (sellers and buyers making proposals)." (3<sup>rd</sup> Office action, page 3)

4

5       3.    Applicant respectfully acknowledges Examiner's statement, immediately following  
6    and regarding the admission acknowledged above in paragraph 2, that: "*Wurman* discloses  
7    these features at page 2, first full paragraph and page 3, second full paragraph respectively."  
8    (3<sup>rd</sup> Office action, page 3)

9

10      4.    Applicant respectfully acknowledges Examiner's allegation, immediately following  
11   the statement acknowledged above in paragraph 3, that:

12

13       It would have been obvious to one of ordinary skill in the art at the time of the  
14   invention to have allowed auction-type specification as disclosed by *Wurman*  
15   in the auctions disclosed by *Auction This* because this would have provided a  
16   means to very specifically describe the proposed auction of *Auction This* in  
17   terms of the options described in *Wurman* at page 2, second full paragraph. (3<sup>rd</sup>  
18   Office action, page 3)

19

20

21      5.    Applicant respectfully acknowledges Examiner's expression of hindsight clearly  
22   derived from the present disclosure, immediately following the allegation acknowledged  
23   above in paragraph 4, that: "Further, it would have been obvious to have executed the  
24   commodity auction disclosed by *Auction This* using the two-way auction format disclosed  
25   by *Wurman* because this would have been a format suitable for the exchange of  
26   commodities." (3<sup>rd</sup> Office action, pages 3 - 4)

## RESPONSE TO THIRD OFFICE ACTION

1       6.     Applicant respectfully acknowledges Examiner's statement, immediately following  
2     the expression of hindsight acknowledged above in paragraph 5, that: "Further, the  
3     compatibility of *Auction This* and *Wurman* is indicated by cites at page 121-122 and page  
4     2, first full paragraph respectively." (3<sup>rd</sup> Office action, page 4)

5

6       7.     Applicant respectfully acknowledges Examiner's allegation, immediately following  
7     the statement acknowledged above in paragraph 6, that: "As to the limitations of counter-bids  
8     and response to counter-bids, these were well known negotiating techniques within auctions  
9     and are suggested by *Wurman* at page 2, second full paragraph." (3<sup>rd</sup> Office action, page 4)

10

11      8.     Applicant respectfully acknowledges Examiner's redundant assertion, immediately  
12     following the allegation acknowledged above in paragraph 7, that: "*Auction This* and  
13     *Wurman* disclose the invention substantially as claimed. See the discussion above." (3<sup>rd</sup>  
14     Office action, page 4)

15

16      9.     Applicant respectfully acknowledges Examiner's admission, immediately following  
17     and with regard to the statements recited above in paragraph 8, that: "They do not  
18     specifically disclose providing samples of a commodity by a seller." (3<sup>rd</sup> Office action, page  
19     4)

20

21      10.    Applicant respectfully acknowledges Examiner's allegation, immediately following  
22     and with regard to the admission recited above in paragraph 9, that: "*Palmer* discloses this  
23     feature at page 8." (3<sup>rd</sup> Office action, page 4)

## RESPONSE TO THIRD OFFICE ACTION

1       11. Applicant respectfully acknowledges Examiner's allegation, immediately following  
2 the allegation recited above in paragraph 10, that:

3                  It would have been obvious to one of ordinary skill in the art at the time of the  
4 invention for the seller to provide samples of auction commodities as disclosed  
5 by *Palmer* in the auction combination of *Auction This* and *Wurman* because  
6 this would have allowed bidders and seller to adjust commodity pricing to  
7 reflect quality as specifically taught by *Palmer* at page 8. See also page 2, first  
8 paragraph and pages 5-8. (3<sup>rd</sup> Office action, page 4)

10  
11  
12       12. Applicant respectfully acknowledges Examiner's statement, immediately following  
13 the allegation recited above in paragraph 11 and with regard to the same, that: "Applicant has  
14 provided no argument as to why this reasoning is incorrect."(3<sup>rd</sup> Office action, page 4)

15  
16       13. Applicant respectfully acknowledges Examiner's allegation, immediately following  
17 the statement recited above in paragraph 12, that: "Palmer also discloses importance of  
18 weight to commodity trading throughout the document."(3<sup>rd</sup> Office action, page 4)

19  
20       14. Applicant respectfully acknowledges Examiner's speculation, immediately following  
21 the allegation recited above in paragraph 13, that: "Further, consider that similar  
22 considerations would apply for the buyer supplied commodity model in a two-way auction.  
23 In this case the buyer would have provided a model as a demonstrator of quality sought  
24 rather than provided as with a seller." (3<sup>rd</sup> Office action, page 4)

25  
26

continued

## RESPONSE TO THIRD OFFICE ACTION

1       15. Applicant respectfully acknowledges Examiner's allegation, immediately following  
2 the speculation recited above in paragraph 14 and apparently with regard to the same, that:  
3 "Provision of such models is old and well-known." (3<sup>rd</sup> Office action, page 4)

4

5       16. Applicant respectfully acknowledges Examiner's extraneous comments, immediately  
6 following the allegation recited above in paragraph 15 and apparently with regard to the  
7 same, that: "An example of such a model is the arsenal model supplied by the War  
8 Department to specify the form and quality of military goods to be supplied to the  
9 government. Such models were in use in the nineteenth century." (3<sup>rd</sup> Office action, page 4)

10

11       17. Applicant respectfully acknowledges Examiner's expression of confusion,  
12 immediately following the extraneous comments recited above in paragraph 16, that:

13

14                  Further, the reason for the addition of the model and sample limitations  
15 to an independent claim is unclear. The limitations do not contain a recitation  
16 of providing samples/models; rather they optionally provide such provision.  
17 Additionally, the optional provision does not relate to the rest of the claim  
18 language. No use of the quality indications is made in the execution of the  
19 auction. An inventive feature such as bid calculation based on indicated  
20 quality would perhaps relate these limitations to the rest of the Claim. (3<sup>rd</sup>  
21 Office action, page 5)

22

23

24       18. Applicant respectfully acknowledges Examiner's support of rejection of claims 41 -  
25 70 found on pages 5 - 8 of the third Office action.

26

## RESPONSE TO THIRD OFFICE ACTION

### *Response to Arguments*

19. Applicant respectfully acknowledges Examiner's statement indicating that the "arguments filed" by the present applicant "have been fully considered but (said arguments) are not persuasive". (3<sup>rd</sup> Office action, page 8)

20. Applicant respectfully acknowledges Examiner's note "that the previous rejection of Claims 41 - 76 ... is unchallenged" and that "Examiner assumes that Applicant concurs with the treatment of these Claim *elements* (emphasis added)". (3<sup>rd</sup> Office action, page 8)

21. Applicant respectfully acknowledges Examiner's statement that: "the issue of model and sample provision were addressed in the prior (O)ffice action in the treatment of Claims 33 and 26 and that: "Contrary to Applicant's implication, Claim 26 was treated at page 8 of the prior (O)ffice action." (3<sup>rd</sup> Office action, page 8)

22. Applicant respectfully acknowledges Examiner's statement that: "Models and samples, as effective descriptions of goods desired or provided are seen as equivalent." and "In any case, the issue is further treated in the rejection of Claim 40 above." because: "in the example above, the arsenal shows what is desired; a sample shows what is available. The two features are merely ways for seller and buyer to assure understanding of quality for the transaction." (3<sup>rd</sup> Office action, pages 8 - 9)

23. Applicant respectfully acknowledges Examiner's statements immediately following the above cited statement in response to Applicant's arguments:

## **RESPONSE TO THIRD OFFICE ACTION**

Thirdly, as noted in the last paragraph of the treatment of Claim 40 above, there is not even a recitation that models or samples are provided. Rather, the language reads on merely providing an option to do so. This reads on a check box indicating that user will supply a sample or model, not that the provision is done. A clear statement that the provision is done and that the model or sample is used for some purpose would at least relate the option selection to the rest of the Claim.

No such use appears to be done. A review of the Specification shows repeated use of the words 'model' and sample, (e.g. Table 3). However no particular use is made of the concepts. At page 7 of the prior (O)ffice action, the Examiner suggested that quality considerations could be used to adjust commodity pricing to reflect such considerations. This reasoning is unchallenged; Applicant discloses no particular use for his model/samples, only that (these) might be provided. (3<sup>rd</sup> Office action, page 9)

24. Applicant respectfully acknowledges Examiner's comments and statements regarding sections B.2, B.4, B.5, B.6 of Applicant's arguments presented in the last Response on pages 9 - 10 of the third Office action.

25. Applicant respectfully acknowledges Examiner's reply "(i)n response to applicant's argument at B.6 through B.11 that the examiner's conclusion of obviousness is based upon improper hindsight reasoning" because "any judgement on obviousness is *in a sense* (emphasis added) necessarily a reconstruction based upon hindsight reasoning" (3<sup>rd</sup> Office action, page 10) supported by citation of a thirty-two year old Court of Customs and Patent Appeals decision. (3<sup>rd</sup> Office action, page 10)

**continued**

**RESPONSE TO THIRD OFFICE ACTION**

1        26.    Applicant respectfully acknowledges Examiner's statements that: "At B.12, Examiner  
2    made clear that models and samples are equivalent. Disclosure of the prior art of samples  
3    would have suggested models to one of ordinary skill in the art of commodities auctions as  
4    set forth above. This was addressed at page 8, first paragraph 1 of the prior (O)ffice action.  
5    (3<sup>rd</sup> Office action, page 10)

6

7        27.    Applicant respectfully acknowledges Examiner's statements that: "At B13, Applicant  
8    fails to provide any substantive argument or evidence that model provision was unknown.  
9    This is merely implied. See also the discussion of Claim 40. (3<sup>rd</sup> Office action, page 10)

10

11       28.    Applicant respectfully acknowledges Examiner's statements that: "At B.14, Applicant  
12    restates arguments addressed above. Had the model/sample features conferred patentability,  
13    the Examiner would have indicated such in the prior (O)ffice action." (3<sup>rd</sup> Office action, page  
14    10)

15

16       29.    Applicant respectfully acknowledges Examiner's statement that: "At C.17, Summary,  
17    Applicant restates arguments addressed above." (3<sup>rd</sup> Office action, page 10)

18

*Conclusion*

20       30.    Applicant respectfully acknowledges Examiner's direction of inquiry to Charles Kyle  
21    and provision of telephone numbers for: the same; his supervisor; fax phone numbers, for  
22    "regular" and "After Final communications"; and reception.

23

## RESPONSE TO THIRD OFFICE ACTION

### *Interview Summary*

31. Applicant respectfully acknowledges Examiner's summary of the telephonic interview held between Applicant's representative and Examiner in January Of this year:

Palmer was cited by Examiner as showing weight and specific commodity category dependent quality characteristics. Applicant asked if incorporation of 26 and/or 33 into Claim 1. As already rejected, answer was no. Applicant argues that model from buyer is different from sample from seller. (3<sup>rd</sup> Office action, page 12)

### **B. Submission of Evidence Overcoming Grounds of Rejection**

#### *Prefatory Comments*

1. Applicant respectfully wishes to preface what the current Examiner terms 'arguments' or 'remarks' with a comment regarding the use of terms above such as 'allegation', 'speculation', 'redundant assertion', and 'expression of hindsight': these terms are in no manner intended to convey the slightest courtesy or disrespect for the present Examiner who is obviously possessed of tremendous intelligence, talent, and industry; these terms are, rather, used to assist the Director and/or the Board of Appeals in review of the present prosecution in consequence, respectively, to a petition invoking supervisory authority and/or appeal in ascertainment of the matters that the present Applicant's representative views as indicative of the patently illegal methods by which Internet business methods are, and have been for the last several years, obstinately opposed by the Patent Office which action is, further, understood to be the result of a political directive of the current administration, in retaliation for the excesses of the previous, as well as a natural reaction against being told that business methods more generally are patentable by the Court of Appeals for the Federal

## RESPONSE TO THIRD OFFICE ACTION

1 Circuit in *State Street Bank & Trust Co. v. Signature Financial Group Inc.*, 149 F.3d 1368,  
2 1373, 47 USPQ2d 1596, 1600 (1998) as long as a computer is utilized to facilitate the  
3 method; and, it is further commented, Applicant's representative is most appreciative of the  
4 opportunity to develop and expand his capabilities in patent practice afforded by the current  
5 political situation and such able Office staff; thank you most kindly, sincerely, and  
6 courteously; it is also commented, strictly by Applicant's representative, that the burden  
7 imposed by the political imperatives upon the men and women of Art Units 3624 and 3625,  
8 to sensibility of the present Applicant's representative, is appreciated as being so great as to  
9 test the continued impeccable reputation of the Office itself.

10

### 11 *Errors In Rejection Under § 103*

12 1. Applicant respectfully submits that Examiner is in error in alleging that *Auction This*  
13 discloses the invention substantially as claimed because:

14 a. Page 125, second paragraph:

15

16 Bidding at eBay is a two-step process: first, you enter the dollar amount you  
17 want to bid. Your bid has to beat the current high bid by at least the minimum  
18 bid increment, and it could be a maximum bid that you'd ever be willing to  
19 pay. Plug in that number where eBay prompts you to, and click on the *Review*  
20 *bid* button at the bottom of the screen. The second step-and the second screen-  
21 is where you'll enter your eBay user ID and your password. When you've  
22 done that and you want to place your bid, click on the *Place bid* button. Ebay  
23 will zip off and tally your maximum bid amount against any other bidders  
24 who've been bidding (or against a seller's reserve price, or both) and will  
25 respond with a screen that tells you how you did. If you're lucky, e Bay will  
26 show that you are now the high bidder. Congratulations!

27

## RESPONSE TO THIRD OFFICE ACTION

1 does not disclose, mention, or suggest: “a proposal format in which the particular  
2 commodity” or “specific commodity dependent quality characteristics desired by a  
3 prospective buyer in completion of a submission for initiating an open bid” and while  
4 pages 64 and 85 are further cited, without even a specific paragraph referenced, in  
5 support of this allegation page 64, copy included in Appendix hereto, discusses Dutch  
6 and reserve price auctions without any mention or suggestion of a commodity or  
7 commodity dependent quality characteristics and page 85, upon which Figure 6-5,  
8 ‘Place / Raise Your Bid’, resides, lists the following options, under ‘Step 1: Enter  
9 Your Bid Information’, for specification by a prospective buyer: ‘Bid Price per Unit’,  
10 ‘Quantity’, and ‘Remarks’ while Step 2 facilitates selection of shipping method.

- 11 b. Page 125, second paragraph, see above, does not provide “a proposal format in which  
12 the commodity” or the “quality” offered by a prospective seller in completion of a  
13 submission for initiating an open offer neither does page 64, the ‘proposal format’  
14 shown on page 85 is for use by a prospective bidder only, not a prospective seller, and  
15 page 23 has none of these claimed restrictions or limitations either:

### Figure 2-1

18 My most peculiar purchase this year. The Japan-only ‘Phantom of the  
19 Paradise action figure. A distant cousin to the Ken doll, and a twisted  
20 reminder of the kooky things you can find at an auction.

21 A final point to be made about the online auctions is that you can find just  
22 about anything conceivable out there (see Figure 2-1). If you need some  
23 hardware to beef up your home PC, you’ll find it. If you’re looking for a cool  
24 deal on sporting goods, you’ll find it. If you’ve lost some trinket from your  
25 past that has left a nostagic hole in your existence, you’ll (usually) find it.  
26 And if you’re just looking for something odd or entertaining to satisfy your

## **RESPONSE TO THIRD OFFICE ACTION**

whimsical nature, you'll find *a whole lot* of that.

## Sellers Find Their Market

Now sellers aren't all slime, and they don't have to resort to bootlicking to make the online auctions work for them. In fact, sellers will often find incredible prosperity in the virtual auction parlor simply due to the fact that there are millions of ready-and-willing bidders out there waiting for the next item to hit the block.

- c. Page 124, Fig. 7-4, showing an eBay listing for a “vintage Yellow Submarine movie poster”, according to the legend for the same, actually a “YELLOW SUBMARINE, orig movie window card”, “Item #158190319” is clearly unconcerned and fails to disclose, mention, or suggest “a specified lot of commodity” as alleged by Examiner and it does not, as alleged by Examiner in a previous Office action, indicate commodity quality or even quality at all: “orig” means original, obviously, which simply identifies the item; whether the ‘card’ is torn, faded, in poor or excellent condition is not even indicated nor is there opportunity, i.e. a field available, for such indication in marked contrast to the presently claimed invention inclusive of “a listing for a specified lot of commodity;
  - d. there is no choice on the part of the buyer with regard to delivery terms in *Auction This*, as made abundantly clear in Figure 6-5 discussed above while the sole page cited by Examiner in support of “matching in all said terms between offer and any bid” clearly has the software providing the web site match no terms at all as the highest price wins and then the e-mail addresses of buyer and seller are provided: “In the person-to-person scenario, the end-of -auction e-mail mesage notifies buyer and seller of the final bid price and provides each party with the other’s e-mail address so

## RESPONSE TO THIRD OFFICE ACTION

1           they can finish the deal.”

2

3       2.      Applicant respectfully submits that Examiner is in error in alleging that *Auction This*  
4 discloses the invention substantially as claimed because, by Examiner’s own admission,  
5 “*Auction This* does not specifically disclose that the type of auction can be specified or that  
6 the auction is two-way (sellers and buyers making proposals).” (3<sup>rd</sup> Office action, page 3)

7

8       3.      Applicant respectfully submits that Examiner is in error in stating that “*Wurman*  
9 discloses these features (two-way auction with sellers and buyers making proposals) because  
10 *Wurman* does not suggest these ‘techniques’ as set forth in the first Applicant’s Response:

11

12       3.      Applicant respectfully submits that Examiner’s statement, after  
13 admission that *Auction This* does not “disclose that the type of auction can be  
14 specified or that the auction is two-way”, that: “*Wurman* discloses these  
15 features at page 2, first full paragraph and page 3, second paragraph  
16 respectively” (FOA page four, lines 1 - 4) is in error with regard to disclosure  
17 of a ‘two-way’ auction as presently claimed and that said error is  
18 demonstrated with recitation of the pertinent passage cited and recognition of  
19 the novel capabilities regarding ‘two-way’ auction operation provided by the  
20 language of present base claim 1 as being neither disclosed nor suggested by  
21 *Wurman*:

22

23           The *continuous double auction* (CDA), matches buyers and  
24 sellers immediately on detection of compatible bids. A periodic  
25 version of the double auction (sometimes termed a *call market*  
26 [12] or *clearinghouse*) instead collects bids over a specified  
27 interval of time, then *clears* the market at the expiration of the  
28 bidding interval.<sup>2</sup>

29

30       <sup>2</sup> We refer to these double auctions as *periodic* to contrast them

## RESPONSE TO THIRD OFFICE ACTION

1                   with the CDA, in which clears are triggered by the reception of  
2                   new bids. Despite the name, the class of periodic double  
3                   auctions includes those with aperiodic clear policies, such as  
4                   those triggered by elapsed periods of inactivity, a randomly  
5                   generated schedule, or some predefined clearing schedule. (Page  
6                   3, second full paragraph, and footnote)  
7

8                   wherein the ‘continuous double auction’ is seen to comprise an automatic  
9                   matching of compatible bids and offers operating to clear, as opposed to  
10                  clearing after an elapsed time, which does describe a dependent feature of the  
11                  presently claimed invention expressed in claim 2 wherein depositing of the  
12                  listing follows “matching in all said terms between any offer and any bid both  
13                  concerned with said specified lot” but which most emphatically does not  
14                  describe or suggest in any manner the ‘two-way’ auction method claimed by  
15                  present claim 1 including the sixth step (f):  
16

17                  posting upon said web site, in association with said listing, any  
18                  offer indications by said prospective seller in response to posted  
19                  counter bids and any bid indications by said prospective buyer  
20                  in response to posted counter offers signifying a modification of  
21                  at least one term in said listing (Claim 1, lines 19 - 21);  
22

23                  because, quite simply, neither *Wurman* nor any other reference cited by  
24                  Examiner or known in the pertinent prior art allows modification of terms in  
25                  a listing in an auction in response to counter bids or counter offers which  
26                  capability is hence considered to patentably distinguish the presently claimed  
27                  invention over all of said prior art and comprise both a limitation wholly  
28                  beyond the ability of the prior art to suggest and a patentable novelty in view  
29                  of the state of the prior art cited.  
30

31  
32

continued

## RESPONSE TO THIRD OFFICE ACTION

1       4.    Applicant respectfully submits that Examiner is in error in alleging that:

2  
3       It would have been obvious to one of ordinary skill in the art at the time of the  
4       invention to have allowed auction-type specification as disclosed by *Wurman*  
5       in the auctions disclosed by *Auction This* because this would have provided a  
6       means to very specifically describe the proposed auction of *Auction This* in  
7       terms of the options described in *Wurman* at page 2, second full paragraph. (3<sup>rd</sup>  
8       Office action, page 3)

9  
10      as demonstrated by the reasoning given for the allegation: the “proposed auction”, singular,  
11      “of *Auction This*”, i.e. eBay, doesn’t admit specification of auction type and the fact that  
12      *Auction This* discusses Dutch and regular auction types doesn’t mean that anyone was  
13      suggesting specification of auction type for an on-line auction.

14  
15      5.    Applicant respectfully submits that Examiner is in error in considering the expression  
16      of hindsight clearly derived from the present disclosure: “Further, it would have been  
17      obvious to have executed the commodity auction disclosed by *Auction This* using the two-  
18      way auction format disclosed by *Wurman* because this would have been a format suitable  
19      for the exchange of commodities.” is a proper use of reconstructive hindsight because, for  
20      one, reconstructive hindsight is improper, as demonstrated by the citations from the Court  
21      of Appeals for the Federal Circuit in the first and second Applicant’s Responses which all  
22      supercede the 32 year old decision of the Court of Customs and Patent Appeals cited by  
23      Examiner and for two, since there is no mention of commodities anywhere in the cited prior  
24      art, the suggestion cannot be in the prior art as required by all modern case law and for three  
25      since the cited prior art doesn’t mention commodities even by the outdated CCPA decision  
26      the reconstruction constitutes an improper use of hindsight.

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1       6.    Applicant respectfully submits that Examiner is in error in stating that “the  
2 compatibility of *Auction This* and *Wurman* is indicated by cites at page 121-122 and page  
3 2, first full paragraph respectively” as demonstrated by a reading of these pages and further  
4 indicated by the failure of Examiner to provide any clue as to how material found in these  
5 ‘cites’ performs the desired function: in this case ‘compatibility’.

6

7       7.    Applicant respectfully submits that Examiner is in error in alleging counter bids and  
8 responses to counter bids to be “suggested by *Wurman* at page 2, second full paragraph” as  
9 set forth in response to the first Office action and, again, readily demonstrated by a recital  
10 of the same:

11

12       A user can configure the AuctionBot to administer a variety of auction types,  
13 by setting parameters controlling the bidding protocol and auction rules. An  
14 auction description specifies such attributes as the number and frequency of  
15 market-clearing events, restrictions on bidding, revelation of intermediate  
16 information, and the policies for determining prices and matching buyers and  
17 sellers. Options currently offered in the AuctionBot cover most of the auction  
18 traditional types described in the literature, and we continue to extend the  
19 system to support a widening variety of auction protocols. (*Wurman*, page 2,  
20 par. 2)

21

22

23       8.    Applicant respectfully submits that Examiner is in error in supposing that the  
24 redundant assertion: “*Auction This* and *Wurman* disclose the invention substantially as  
25 claimed. See the discussion above.” provides any support whatsoever in rejection.

26

27

continued

## RESPONSE TO THIRD OFFICE ACTION

1       9.    Applicant respectfully submits that Examiner is in error in supposing that the  
2 admission: "They (the references cited in rejection) do not specifically disclose providing  
3 samples of a commodity by a seller", (3<sup>rd</sup> Office action, page 4), is less than fatal to the  
4 rejection of present claim 40 under 35 U.S.C. 103.

5

6       10.   Applicant respectfully submits that Examiner is in error in alleging that "*Palmer*  
7 discloses this feature (providing samples of a commodity by a seller) at page 8", (3<sup>rd</sup> Office  
8 action, page 4), as demonstrated by recital of the pertinent paragraphs:

9

10      If a situation exists where the grower will also do the harvesting, it is the  
11 grower's responsibility to deliver a quality product. In this case, price  
12 discounts are established when whole plant moisture falls outside of an  
13 acceptable range.

14      Accurate moisture estimates must be made throughout the harvest process and  
15 should be done on a field by field basis. Samples can be taken and sent to any  
16 accredited forage-testing laboratory or done by the individuals using a gram  
17 scale and a microwave oven. Taking multiple samples on a field by filed basis  
18 to insure an accurate estimate is very important.

20

21      wherein it is clearly seen that the samples taken are being provided by a "grower" of corn  
22 "throughout the harvest process", not a prospective seller at auction, to a laboratory for  
23 moisture content determination, something that the grower can also perform themselves.

24

25      11.    Applicant respectfully submits that Examiner is in error in alleging that it would have  
26 been obvious to combine the sample teaching of *Palmer* at page 8 with *Wurman* and *Auction*  
27 *This* because the sample concerned is taken by a grower, not a prospective seller in an

## RESPONSE TO THIRD OFFICE ACTION

1 auction: *Palmer* describes *Forage Buy-Sell Contracts*, not auctions:

2  
3 Contractual arrangements between crop farmers and dairymen to supply all or  
4 part of the dairy's forage needs are increasing as dairy farms expand, because  
5 concurrent expansion of crop acres and cow numbers is not feasible. Without  
6 such agreements, additional land would need to be rented or purchased. This  
7 would require increased capital, input expenses and demands on time and  
8 labor for producing crops. Long-term agreements can help solve this concern,  
9 plus they can provide a consistent market for the croppers product and a  
10 guaranteed supply of quality forage to the dairy, at a price that insures long  
11 term profitability to each party. (*FORAGE BUY-SELL CONTRACTS*, page 1,  
12 second paragraph)

13  
14 and most certainly does not contain any suggestion regarding an auction conducted on the  
15 Internet which is necessary for inclusion of this reference within the scope of the prior art  
16 pertinent to examination of the present application.

17  
18 12. Applicant respectfully submits that the above 'argument' provides ample proof as to  
19 "why this reasoning is incorrect", (3<sup>rd</sup> Office action, page 4), and Examiner in error upon this  
20 point.

21  
22 13. Applicant respectfully submits that Examiner is correct with regard to the emphasis  
23 *Palmer* places upon weight in a forage commodity, e.g. corn, hay, but is in error in alleging  
24 that he mentions commodity trading as *Palmer* is solely concerned with a long term  
25 contractual agreement between 'growers' of forage and a dairy farm without any auction  
26 whatsoever.

## RESPONSE TO THIRD OFFICE ACTION

1       14.    Applicant respectfully submits that Examiner is in error to consider what is obviously  
2       pure speculation or conjecture: "Further, consider that similar considerations would apply  
3       for the buyer supplied commodity model in a two-way auction. In this case the buyer would  
4       have provided a model as a demonstrator of quality sought rather than provided as with a  
5       seller." (3<sup>rd</sup> Office action, page 4), without any suggestion in the prior art, to be of any value  
6       in support of a §103 rejection.

7  
8       15.    Applicant respectfully submits that Examiner is in error to suppose that a simple,  
9       wholly unsubstantiated allegation: "Provision of such models is old and well-known", (3<sup>rd</sup>  
10      Office action, page 4), provides any support to rejection.

11  
12      16.    Applicant respectfully submits that Examiner is in error to equate an "arsenal model  
13      supplied by the War Department to specify the form and quality of military goods to be  
14      supplied to the government", (3<sup>rd</sup> Office action, page 4), with the models of the presently  
15      claimed invention which are provided by a prospective seller of a particular commodity in  
16      an auction that is, furthermore, **conducted on the Internet** and hence this point comprises  
17      nothing more than an irrelevant and hence extraneous comment on the part of Examiner that  
18      is wholly outside a proper scope of the present invention and wholly inadmissible as support  
19      of rejection thereof.

20  
21      17.    Applicant respectfully submits that Examiner is in error in supposing that Applicant  
22      will amend to clarify a point that exists only in the imagination of the Examiner: there is no  
23      "bid calculation", (3<sup>rd</sup> Office action, page 5), in the presently claimed invention.

## **RESPONSE TO THIRD OFFICE ACTION**

1       18. Applicant respectfully submits that Examiner is in error in supposing that Applicant  
2 will amend to clarify a point that exists only in the imagination of the Examiner as there is  
3 no “bid calculation”, (3<sup>rd</sup> Office action, page 5), in the presently claimed invention: there are  
4 bids entered by a prospective buyer without any need for calculation of the same; and as  
5 regards “indicated quality”, (3<sup>rd</sup> Office action, page 5), first of all it is implicit that the bid  
6 reflects the quality ‘indicated’ but more importantly, the presently claimed invention  
7 provides means for the quality of the commodity lot to be positively ascertained, through the  
8 provision of a sample by the prospective buyer, and, further, the presently claimed invention  
9 as recited in present claim 40, provides means for the prospective buyer to positively specify  
10 the quality desired with provision of a model.

11  
12       19. Applicant respectfully submits that Examiner is in error to suppose that a simple  
13 statement asserting consideration of the arguments provided by an applicant, without even  
14 identification of the arguments much less any detailed discussion of the same, provides any  
15 support to a rejection under §103.

16  
17       20. Applicant respectfully submits that Examiner is in error to assume that “Applicant  
18 concurs with the treatment of these Claim elements”, (3<sup>rd</sup> Office action, page 8), for two  
19 reasons: first, these entities concerned are not claim **elements**, the entities concerned are  
20 **claims**, namely current claims 41 - 76; second Applicant does not concur with Examiner with  
21 his ‘treatment’, understood to mean rejection, of these claims: Applicant considers these  
22 rejections to most likely be lacking in a proper basis as are all the grounds of rejection of the  
23 current base claim but Applicant realizes that claims 41 - 76 are allowable if base claim 40

## RESPONSE TO THIRD OFFICE ACTION

1 is allowable because claims 41 - 76 each are properly dependent upon base claim 40 and are  
2 hence all allowable if base claim 40 is allowable, regardless of the individual rejections of  
3 these dependent claims.

4

5 21. Applicant respectfully submits that Examiner is in error to suppose that mere  
6 referencing of a previous address of "the issue of model and sample provision", (3<sup>rd</sup> Office  
7 action, page 8), constitutes any contribution to the present examination after Applicant has  
8 not only revealed this 'address' to be wholly vacuous but has relied upon the fact that  
9 Examiner has provided, through all three Office actions, **no prior art reference disclosing,**  
10 **mentioning, or in any manner suggesting, the provision of a model by a prospective**  
11 **buyer in a commodity auction, online or otherwise.**

12

13 22. Applicant respectfully submits that Examiner is in error in stating that: "Models and  
14 samples, as effective descriptions of goods desired or provided are seen as equivalent." and  
15 "In any case, the issue is further treated in the rejection of Claim 40 above." because: "in the  
16 example above, the arsenal shows what is desired; a sample shows what is available. The  
17 two features are merely ways for seller and buyer to assure understanding of quality for the  
18 transaction." (3<sup>rd</sup> Office action, pages 8 - 9) because:

- 19 a. models and samples are not equivalent: a model is provided by a prospective buyer,  
20 a sample by a prospective seller;
- 21 b. the statement that: 'In any case, the issue is further treated in the rejection of Claim  
22 40 above' is simply hollow and gratuitous, providing no substance to the argument  
23 whatsoever;

## RESPONSE TO THIRD OFFICE ACTION

1       c.     the arsenal model is not an auction;  
2       d.     Examiner has failed to provide an example of a sample offered in auction;  
3       e.     a ‘transaction’ is not an auction: it can be the result of a lot being bought at auction  
4                  but not the auction itself and it more commonly can be a simple purchase: in a store,  
5                  of illegal drugs on a street corner, from a vegetable market, of the favors of a  
6                  prostitute; and less commonly comprise a bribe given to a government official for  
7                  favoring a particular company or policy or money given to the Mafia for protection  
8                  against burglary, et cetera.

9  
10      23.    Applicant respectfully submits that Examiner is in error in supposing that “a recitation  
11       that models or samples are provided”, (3<sup>rd</sup> Office action, page 9), is necessary to comprise  
12       a fully proper claim limitation: the ability for a prospective buyer, particularly, to provide  
13       a model of a particular commodity in an auction conducted over the Internet comprises a new  
14       and useful function hitherto unknown and hence a patentable distinction over the known  
15       prior art; Examiner’s statement that “no particular use is made of the concepts”, (3<sup>rd</sup> Office  
16       action, page 9), is pointless, irrelevant, and gratuitous: the benefit provided by this new  
17       function and patentable distinction is obvious: it provides prospective buyers in an online  
18       auction with the means of concretely defining exactly what is desired and this is clearly  
19       expressed in the present specification as evidenced by Examiner’s understanding that a  
20       model shows what is desired in a ‘transaction’ by the buyer.

21  
22      24.    Applicant respectfully submits that Examiner is in error in:  
23       a.     stating that the use of the word ‘restriction’ is unclear as evidenced by Examiner’s

## RESPONSE TO THIRD OFFICE ACTION

1 understanding that this word "appears to mean limitation", (3<sup>rd</sup> Office action, page 9);  
2 b. assuming that a simple, unsupported, allegation: models and samples are considered  
3 equivalent; makes it so;  
4 requiring Applicant to disprove a negative: "It is unclear why being a bidder would  
5 restrict ones ability to provide a model. The prior art of record contains no teaching  
6 or suggestion of this", (3<sup>rd</sup> Office action, page 9), the prior art cannot contain a  
7 teaching or suggestion of a restriction to something which did not exist in the prior  
8 art: that simply proves Applicant's arguments: the provision of a model by a  
9 prospective buyer in an online auction is new: please see MPEP 2112 for guidance  
10 on this:

### 11 EXAMINER MUST PROVIDE RATIONALE OR EVIDENCE 12 TENDING TO SHOW INHERENCY

13 The fact that a certain result or characteristic may occur or be present  
14 in the prior art is not sufficient to establish the inherency of that result or  
15 characteristic. ... 'To establish inherency, the extrinsic evidence 'must make  
16 clear that the missing descriptive matter is necessarily present in the thing  
17 described in the reference, and that it would be so recognized by persons of  
18 ordinary skill. Inherency, however, may not be established by probabilities or  
19 possibilities. The mere fact that a certain thing may result from a given set of  
20 circumstances is not sufficient.' *In re Robertson*, 169 F.3d 743, 745, 49  
21 USPQ2d 1949, 1950-51 (Fed. Cir. 1999)

22  
23 'In relying upon the theory of inherency, the examiner must provide a  
24 basis in fact and/or technical reasoning to reasonably support the  
25 determination that the allegedly inherent characteristic necessarily flows from  
26 the teachings of the applied prior art.' *Ex parte Levy*, 17 USPQ2d 1461, 1464  
27 (Bd. At. App. & Inter. 1990) (MPEP 2100-52);  
28  
29

## RESPONSE TO THIRD OFFICE ACTION

1      Applicant also respectfully suggests that Examiner read MPEP 2143 and 2143.01 for  
2      guidance regarding the necessity of the prior art providing the suggestion for modification  
3      or combination of prior art elements in reconstruction of the claimed invention:

4  
5      **2143 Basic Requirements of a *Prima Facie* Case of Obviousness**

6      To establish a *prima facie* case of obviousness, three basic criteria must  
7      be met. First, there must be some suggestion or motivation, either in the  
8      references themselves or in the knowledge generally available to one of  
9      ordinary skill in the art, to modify the reference or to combine reference  
10     teachings. Second, there must be a reasonable expectation of success. Finally,  
11     the prior art reference (or references when combined) must teach or suggest  
12     all the claim limitations.

13     The teaching or suggestion to make the claimed combination and the  
14     reasonable expectation of success must both be found in the prior art, not in  
15     applicant's disclosure. *In re Vaek*, 947 F.2d 488, 20 USPQ2d 1438 (Fed. Cir.  
16     1991)

17  
18     **2143.01 Suggestion or Motivation To Modify the References [R-1]**  
19     **THE PRIOR ART MUST SUGGEST THE DESIRABILITY OF THE**  
20     **CLAIMED INVENTION**

21     'There are three possible sources for a motivation to combine  
22     references: the nature of the problem to be solved, the teachings of the prior  
23     art, and the knowledge of persons of ordinary skill in the art.' *In re Rouffet*,  
24     149 F.3d 1350, 1357, 47 USPQ2d 1453, 1457-58 (Fed. Cir. 1998)

25  
26     'In determining the propriety of the Patent Office case for obviousness  
27     in the first instance, it is necessary to ascertain whether or not the reference  
28     teachings would appear to be sufficient for one of ordinary skill in the relevant  
29     art having the reference before him to make the proposed substitution,  
30     combination or other modification.' *In re Linter*, 458 F.2d 1013, 1016, 173  
31     USPQ 560, 562 (CCPA 1972)

32     Obviousness can only be established by combining or modifying the  
33     teachings of the prior art to produce the claimed invention where there is some

## RESPONSE TO THIRD OFFICE ACTION

1 teaching, suggestion, or motivation to do so *found either explicitly* or  
2 implicitly *in the references themselves* (emphasis added) or in the knowledge  
3 generally available to one of ordinary skill in the art. ‘The test for an implicit  
4 showing is what the combined teachings, knowledge of one of ordinary skill  
5 in the art, and the nature of the problem to be solved as a while would have  
6 suggested to those of ordinary skill in the art.’ *In re Kotzab*, 217 F.3d 1365,  
7 1370, 55 USPQ2d 1313, 1317 (Fed Cir. 2000) See also > *In re Lee*, 277 F.3d  
8 1338, 1342-44, 61 USPQ2d 1430, 1433-34 (Fed. Cir. 2002) (discussing the  
9 importance of relying on objective evidence and making specific factual  
10 findings with respect to the motivation to combine references; < *In re Fine*, ...  
11

12       *In In re Fine ... The examiner and Board asserted that it would have*  
13 *been within the skill of the art to substitute one type of detector for another*  
14 *in the system of the primary reference, however, the court found there was no*  
15 *support or explanation of this conclusion and reversed.* (MPEP 2100-124-5)  
16 (emphasis added);  
17

18  
19       25. Applicant respectfully submits that Examiner’s reliance upon *In re McLaughlin*  
20 (CCPA 1971) to justify reconstruction of the presently claimed invention using at least one  
21 element, a model of a particular commodity provided by a prospective buyer in an auction  
22 held online, that is wholly lacking from the prior art, is in error as it is always necessary in  
23 support of a *prima facie* case to find all the limitations of the claim concerned in the prior  
24 art and, moreover, to find the motivation for the combination or modification in the prior art  
25 or knowledge generally available to one of ordinary skill at the time of the invention: since  
26 Examiner has not found a model used in a commodities auction in the prior art, nor a sample  
27 for that matter, the reconstruction providing these limitations is necessarily taken wholly  
28 from the present claimed invention, contrary to *In re McLaughlin* and all other pertinent case  
29 law, particularly that superceding the CCPA: the Court of Appeals for the Federal Circuit.

## RESPONSE TO THIRD OFFICE ACTION

1        26.    Applicant respectfully submits that Examiner is in error in stating that: “models and  
2 samples are equivalent” and that disclosure “of the prior art samples would have suggested  
3 models to one of ordinary skill in the art of commodities auctions as set forth above” (3<sup>rd</sup>  
4 Office action, page 10) for the reasons set forth above in recitation from the MPEP and case  
5 law citations therein: it is insufficient to establish a *prima facie* case of obviousness to simple  
6 assert, without support or explanation, that one thing is equivalent to another thing;  
7 Examiner’s insistence, moreover, that models are the same as samples denies the  
8 fundamental element of an auction: that buyers are different from sellers; this argument is  
9 wholly without merit, patently absurd, improper, and illegal.

10  
11        27.    Applicant respectfully submits that Examiner is in error in supposing that Applicant  
12 must or could assume the burden of proving that something was unknown in the prior art:  
13 “At B13, Applicant fails to provide any substantive argument or evidence that model  
14 provision was unknown. This is merely implied. See also the discussion of Claim 40. (3<sup>rd</sup>  
15 Office action, page 10); this is nonsense, improper, and illegal: Examiner has the burden of  
16 identifying the prior art or common knowledge from which the claim limitation concerned  
17 is either disclosed or suggested.

18  
19        28.    Applicant respectfully submits that Examiner is in error in supposing that the  
20 statement that “Had the model/sample features conferred patentability, the Examiner would  
21 have indicated such in the prior (O)ffice action” contributes to the rejections conveyed in the  
22 last Office action.

## RESPONSE TO THIRD OFFICE ACTION

1       29. Applicant respectfully submits that Examiner is in error in supposing that the  
2 statement: "At C.17 Summary, Applicant restates arguments addressed above." (3<sup>rd</sup> Office  
3 action, page 10) comprises any support of rejection conveyed in the last Office action.

4

5       30. Applicant respectfully submits that several significant points in the telephonic  
6 interview between the same and Applicant's representative are lacking in Examiner's  
7 summary of the same:

- 8       a. "Applicant asked if incorporation of 26 and/or 33 into Claim 1." obviously is lacking  
9              the key point here: 'would provide allowance';
- 10      b. "As already rejected, answer was no.", also failing to comprise a sentence, didn't  
11              answer the question by Applicant: 'Since claims 26 and 33 contain restrictions  
12              unknown to the prior art and lacking support in rejection of the same in the present  
13              examination, would incorporation of the restriction of either or both into the base  
14              claim provide grounds for allowance?'
- 15      c. "Applicant argues that model from buyer is different from sample from seller." (3<sup>rd</sup>  
16              Office action, page 12) omits Applicant's explanation: 'because, in an auction, the  
17              lots for sale by a seller must necessarily exist and hence be available for inspection  
18              so a sample of the same could, at least be physically derived from the existing  
19              conditions but a model of what is desired by a prospective buyer in an auction is not  
20              even physically derivable from existing conditions in any previously known auction.'

21

22

23

continued

**RESPONSE TO THIRD OFFICE ACTION**

1      **C. PATENTABLE NOVELTY DISTINGUISHING THE PRESENTLY CLAIMED**  
2      **INVENTION OVER THE PRIOR ART**

3

4      Applicant respectfully submits that, in the language of present claim 1, “providing  
5      the option of provision of a model of a particular commodity desired for purposes of  
6      indicating the quality desired by a prospective buyer” in an auction conducted online;  
7      “providing, upon a web site ... a proposal format in which the type of auction can be  
8      specified in addition to the particular commodity ... desired by a prospective buyer in  
9      completion of a submission for initiating an open bid” comprises a base claim limitation  
10     unknown to the prior art and patentably distinguishing the presently claimed invention over  
11     the prior art in accordance with 37 CFR 1.111(b): the specific distinctions believed to render  
12     the claims, including any newly presented claims, patentable over any applied references”  
13     and that the previous 17 pages, i.e. sections B.1 - B.30 hereof, “distinctly and specifically  
14     points out the supposed errors in the examiner’s action and (replies) to every ground of  
15     objection and rejection in the prior Office action”.

16

17      **D. SUMMARY AND REQUEST FOR ALLOWANCE**

18      1.      Applicant respectfully submits that the present response has been timely filed.

19

20      2.      Applicant respectfully submits that the present response is complete with regard to  
21      statutory and regulatory requirements.

22

23

continued

Application No. 09/866,652  
Applicant: Tommaso Innocenti

Art Unit: 3624

Examiner: Charles R. Kyle  
Filed: May 30<sup>th</sup> 2001

**RESPONSE TO THIRD OFFICE ACTION**

1       3.     Applicant respectfully submits that the present response overcomes all grounds of  
2 rejection conveyed in the last Office action.

3

4       4.     Applicant respectfully submits that the last Office action conveyed no objections.

5

6       5.     Applicant respectfully submits that the present response complies with 37 CFR  
7 1.111(b) and fully and amply demonstrates why the present application for patent deserves  
8 allowance.

9

10      6.     Applicant respectfully submits that claims 41 - 76 are each properly dependent upon  
11 base claim 40 and that the grounds of all rejections of said base claim have been overcome  
12 herein.

13

14      7.     Applicant respectfully requests, for all the reasons given above, allowance of present  
15 claims 40 - 76.

16

17      Respectfully,

18        
19      Peter O'Donovan Gibson, Reg. #34,605  
20

21      Peter O'Donovan Gibson, Reg. #34,605

22      Tel. 410/358-5912; Fax -9636